



Maryland Department of Health and Mental Hygiene  
201 W. Preston Street • Baltimore, Maryland 21201

Robert L. Ehrlich, Jr., Governor – Michael S. Steele, Lt. Governor – S. Anthony McCann, Secretary

**MARYLAND MEDICAL ASSISTANCE PROGRAM****Pharmacy Transmittal No. 178**

November 22, 2005

Medicaid Providers

**FROM:** Joseph E. Davis, Executive Director   
Office of Operations, Eligibility and Pharmacy

**NOTE:** Please ensure that appropriate staff members in your organization are informed of the contents of this transmittal.

**Medicare Part D Drug Coverage and Pharmacy Benefit Changes in the Medicaid and Maryland Pharmacy Program**

The Medicare Part D prescription drug benefit is scheduled to begin January 1, 2006 for all persons eligible for Medicare. When this takes effect, Medicare will replace the Maryland Pharmacy Program (MPP) as the payer of prescription medications for recipients eligible for Medicare. For fully eligible Medicaid recipients with Medicare (full duals), Medicare Prescription Drug Plans (PDPs) will be the payer for prescription drugs. Medicaid will continue to cover only certain medications excluded from coverage under Part D as described below. Recipients in the Maryland Pharmacy Assistance Program (MPAP) eligible for Medicare and all recipients in the Maryland Pharmacy Discount Program (MPDP) will no longer receive a pharmacy benefit through the Maryland Pharmacy Program (MPP).

In order to receive benefits under Part D, beneficiaries must be enrolled into one of the Medicare Prescription Drug Plans. To ensure that fully eligible Medicaid recipients with Medicare (full duals) are in a plan on January 1, 2006, the Centers for Medicare and Medicaid Services (CMS) will automatically assign these recipients into PDPs. Likewise, the State intends to automatically assign Medicare eligible recipients in the MPAP into PDPs to ensure that they are ready to receive benefits in January. Recipients will receive a letter informing them of the PDP that they have been assigned to and that they can switch plans at any time. **Any question concerning enrollment and Part D coverage should be addressed to CMS at 1-800-MEDICARE (1-800-633-4227).** Most recipients in the MPDP will not be automatically enrolled by the State and must enroll into a Medicare Part D plan if they want to receive benefits under Part D.

### Medical Assistance Full Duals

Pharmacies must bill the particular Medicare Prescription Drug Plan (PDP) in which the recipient is enrolled. If a pharmacy bills the Medicaid Program rather than the PDP for a Medicare Part D covered drug, the claim will reject with the message to bill Medicare. The copayment applied by the PDP for covered drugs will be the responsibility of the recipient and will not be covered by Medicaid. If there is a question as to which PDP the recipient is enrolled, the pharmacy should contact Medicare. If the PDP rejects the prescription because it is not on their formulary, the physician and/or pharmacist must contact the PDP to either change the medication to a formulary drug or obtain preauthorization according to the requirements of the PDP. Nonformulary medications will not be covered by Medicaid.

Under the Medicare Modernization Act that created pharmacy coverage under Part D, certain drugs can be excluded from coverage by the PDP. Of these excluded drugs, the Medicaid Program only covers prescriptions for barbiturates, benzodiazepines, legend vitamins and legend cough/cold preparations. These medications will continue to be covered by the Medicaid Program for Medicaid full dual recipients with the Medicare Part D benefit.

Drugs covered under Medicare Part B, such as immunosuppressants, will continue to be covered under Part B. The twenty percent copayment will be covered under Medicaid as a crossover claim for full dual Medicaid recipients. This payment will continue to be automatically processed under the pharmacy's Durable Medical Supply/Disposable Medical Equipment (DMS/DME) provider number if Medicare has been billed.

### The Maryland Pharmacy Assistance Program (MPAP) and the Maryland Pharmacy Discount Program (MPDP)

Recipients in the MPAP eligible for Medicare will have their MPAP eligibility end-dated once Part D begins. As previously stated, the Program will initially assign these recipients to PDPs. **The MPDP, which consists only of Medicare eligible recipients, will end with the start of Part D.** Most recipients in the MPDP will not be assigned to a PDP but must enroll themselves to receive benefits through Part D. If a pharmacy bills the Program instead of the Medicare PDP, the claim will reject with the message that the recipient is no longer eligible. The above Medicare Part D excluded drugs and the twenty percent copayment for drugs covered under Medicare Part B will not be covered by the MPP for these recipients.

If an individual in one of these Programs has not been notified by the Social Security Administration (SSA) that they have been deemed eligible for the low income subsidy to cover the cost of premiums, co-pays, and deductibles, they should contact the SSA at 1-800-772-1213 or 1-877-486-2048 for TTY users, to apply for the subsidy.

Recipients in the MPAP that are not eligible for Medicare will continue with their pharmacy coverage unchanged.

Questions concerning this transmittal should be directed to the Division of Pharmacy Services at 410-767-1455.